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December 23, 2010

Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551

RE: Proposed changes to Credit Insurance Disclosures under Reg Z and the Truth in Lending Act
Docket No. R- 1390

Dear Ms. Johnson,

I am writing on behalf of First Abilene FCU in response to proposed Reg Z changes related to credit insurance products. We are located in Abilene, Texas and we are over 48 million in assets and have 8000 members.

I totally support full disclosure and transparency on any product I feel your suggested format and choice of words misrepresent the purpose and value of the insurance. This confusion could discourage our members from purchasing a valuable product. Many members do not have other types of insurance or they may not qualify for alternative insurance to compensate when a loss occurs. Consequently, our member's financial futures may unnecessarily be at risk.

The cost is small and the financial peace that it can provide to a member to great. I assisted a member last week whose husband died unexpectedly. She is not employed and will struggle financially without her husband's income and the credit life insurance has taken care of at least one burden.

We are concerned as to why the government feels it necessary to mandate these disclosures. In Texas, the Insurance Commission is very strict on rates, disclosures and forms to insure consumer protection and these will only pre-empt or add to our regulatory burden. This burden is becoming expensive and increasing difficult to manage. The expense cannot be totally absorbed and in the long run will only be shared by the consumer.

I urge you to change the proposed regulation to reflect accurate, fair and objective information about payment protection products.

Respectfully,


Paula Clowdus
Vice President

